

US SMALL BUSINESS ADMINISTRATION

Office of the National Ombudsman

Regulatory Fairness Hearing

San Francisco, CA

February 5, 2008

PROCEEDINGS

[START TAPE]

RECORDING: A recorder joined.

MR. MARK QUINN: Something I always thought was a privilege of my career to be able to do that. This hearing is something that is unique. Due to San Francisco is doing this thing. This legislation the brief has been 11 years and we've had several hearings in the San Francisco area over the course of that period of time. But we really are looking forward to having the opportunity of getting testimony from all of on various different points of view when speaking about how agencies working with you are issued, that you have concerns about. Let me do this. Let me first introduce Nick Owens who is a National Ombudsman and he would introduce the regulatory fairness board from the San Francisco region, Region IV. But then what we'd like to do is we liked to go around very briefly and have everyone introduce themselves, their organizations and what their organization does. So with that, let me introduce Nick Owens.

MR. NICK OWENS: Mark, thank you, thank you for your leadership here in San Francisco and Gary and other members of your team for making this happen. Certainly we appreciate Leslie and the other team here at the San Francisco Chamber of Commerce for their work to bring this to fruition. I was speaking earlier to our chairman here that it is super to be in San Francisco on Super Tuesday [laughter]. So yes, I appreciate you taking the time, running business, running an association and working on behalf of American's entrepreneurs. It takes time and it takes money and we have a democracy process in work too today. So, we certainly want to move forward and with that I want introduce Chairman, Zainul Abedin from the Los Angeles area.

MR. ZAINUL ABEDIN: Thank you. Thank you, Nick. I want to stand up because I get more - - speaking. Thank you. First of all I would like welcome all of you on behalf of the Regulatory Fairness Board. Let me tell you what I do on this board and this is over two years now since I joined this board. And this appointment that comes to the administration. The director appoints us, all of us for a certain period of time and after that - - out of the board one of person becomes the chairman of the region. And this is the Western Region IV what Mark, you did before. What do we do? We come and met you, that is it basically --. And oh first also I want to tell you what I am. I am also an owner of a business; I have a consulting firm in Los Angeles over 20 years now. And I am a civil engineer by training; my business is Environmental Engineering Incorporated. This is a consulting firm, especially for hazardous materials like asbestos, lead; mold any other hazardous materials in houses air quality, water quality and soil quality, these three areas. I am a - - in my - - ground water - -

especially when you drop pollutant into ground and - -. How I am working professionally in this area, now as a - - what I do I go across like in this board and meet all of you like you must have a lot of points a lot of reasons to come here the same way I am also, same side of yours. So we try to find a meeting place, try to find where we meet both sides, what to the point you have or what the regulators are trying to do and what is the common ground for both us; for the federal department as well as the different individuals, businesses representing. This year is especially important for us, for me and the board and I would like to welcome because we have a new member join from Hawaii and Ed came from Hawaii, he just joined in 2007 and this is the first time meeting as well as meeting him officially. So I would like to Ed -- and Mark. Before I say anything else I would like to invite Ed to introduce himself and maybe hear a few words from him. Thank you.

MR. ED KEMP: Thank you. As a new member I'm going to be listening and learning rather than trying to do a lot of talking. But it's very nice to be here. My background is as a TPA and I've had my own company for about 25 years. I specialize in business appraisals, I tell people how much their companies are worth for a variety of reasons, some pleasant some not so pleasant, divorce being maybe one of the unpleasant one [background cough]. But I hope to be able to provide some feedback from Hawaii and the business that is there and any particular problems they may have, so that I can sit down and assist the organization here with whatever needs to be fixed. So thank you.

MR. QUINN: John, can we start with you and go around.

MR. JOHN GLYDER: For introduction?

MR. QUINN: Just a quick introduction of your organization.

MR. GLYDER: Okay, I'm with the U.S. Department of Labor, Wage and Hour Division and our responsibility is to enforce a number of different labor laws. There are a couple of handouts over here so I don't take up too much time; one is directed towards new and small businesses and overview of our laws. The other is some phone numbers to contact if you need any information. I do want to mention for small businesses we do have an E-laws advisory where you can go on our website and ask questions and get answers to refine what the laws are as they apply to your business.

MS. BARBARA KASOFF: My name is Barbara Kasoff and I'm the President and CEO of Women in Impacting Public Policy, WIPP as we call it. We are a bipartisan public policy organization with more than a half a million women business owners across the country who are members; including 45 small business associations.

MS. JULIE MCCOY: My name is Julie McCoy I'm President and CEO of Integrated Science Solutions. We are a science and engineering firm and we work primarily in the federal government

state.

MS. ANN BLACKBURN: Hello everybody. My name is Ann Blackburn, I'm the owner of Blackburn Advisory Services and we have two lines - - companies. The second other one focuses on real estate and - -.

MS. FRANCES LASKEY: Frances Laskey, I'm the HR Director of Berkeley Policy Associates, which is 100% employee, owned majority women firm - - Oakland, - - and also on the board of small business council.

MR. JOHN STEWART: My name is John Stewart. I'm with Health Choice Carpet Cleaners. We've been - -.

- -.

MS. ANGELA BARANCO: I'm Angela Baranco, I'm with the U.S. Environmental Protection Agency - -, small business --. And I also have some materials for any of the small business agencies - - and - -.

MR. ROY BERG: My name is Roy Berg I'm the Regional Manager for the State of California - CAL OSHA Region. I'm involved with occupational safety.

MS. LINDA LI: Hi, my name is Linda Li. I'm with the - - Opportunity Commission. And if you have small business you need - - on our website if you would like information, - - and I provide technical - - training for - -.

MS. DENISE CHOYE: My names is Denise Choye. I'm with the California - -. We're located here in San Francisco. - - [background noise].

MR. THOMAS HICKS: Morning. [Clear throat], excuse me. My name is Thomas Hicks with the U.S. Department of Labor, Washington and also - -. My duties and responsibilities with regard to - - at the Department of Labor my office receive all comments - - small business around the country regarding any issues or regulations they have, type of labor - - agency. Ed is new and he's here to listen and Ed and I have been doing research work for ten or eleven years and I'm still listening and learning. So it doesn't change. It's good to be back in San Francisco again, I think it's a - -.

MR. KEVIN BARON: Kevin Baron, I'm the - - Membership Account Manager at the American Small Business League. We are a small business advocacy group - -. And we're generally working to - -.

MR. CHRISTOPHER GUNN: My name is Chris Gunn and I'm - -.

MALE VOICE: I'm happy to be here today and - -.

MS. CELESTE NEAL: Good morning I'm Celeste Neal and I'm

with the Internal Revenue Service in the - - Liaison Department which -
- and small business and self employed operating business. My primary
job is to provide services and products to small business owners, help
them meet their tax responsibilities for filing payment and reporting
compliance. My colleague Gerry will give you more information about
our department in a moment. Thank you.

MR. JOHN TAN: My name is John Tan. I'm a local tax
advocate - -. One thing that I want to be absolutely sure of we all know
that my office do not - - [laughter]. We actually - - Internal Revenue
Service. Our mission is two fold, one to solve taxpayer problems one
case at a time. And the second part of the mission while we are out
there talking to taxpayers - - problem, - - headquarters office so that we
can - -.

MS. TIFFANY TODARO: Hi, I'm Tiffany Todaro. I'm also
with the Taxpayer Advocate Office in Oakland, California, John Tan is
my boss. And we did bring some publications here if you are interested
in what our department does. John said it very well, we help
individuals and businesses that are having trouble with Internal
Revenue Service that have had their situation fall through the cracks in
the system or have a financial or other type of significant hardship that
they need to have immediate relief from.

MALE VOICE: - - Chambers.

RECORDING: Joined.

[Cross talk]

FEMALE VOICE: Liaison Specialist with the Internal Revenue
Service - - self employed and stake holder liaison just as Celeste Neal
is. We do work with small businesses. We also work with small
business organizations, trade associations, practitioner organizations, et
cetera. Again, for the benefit of small businesses one thing that may
sound a little funny is that we want small businesses to succeed,
because the more you succeed the more money you make and the more
taxes you pay, so it's a win-win situation all the way around. However,
we do understand as well, from an education and outreach standpoint
that things can go wrong. And one of the things that we do have and if
you are interested I do have a flyer on it, is what is called the issue
management resolution system. Having to do with taxes, policies and
procedures. You do have - - contact information as well so in case you
do have additional - - fall through the cracks with the Internal Revenue
Service then you can get in touch with us - - on today.

MS. GERRY KELLY: Good morning - -, my name is - -.

MALE VOICE 2: - - Small Business Administration, thank you
all very much for coming. - -, recording - - [off mic].

MR. QUINN: And Gary and Mike are both with SBA and both

are involved in a lot of what we do for small businesses in training. A lot of what SBA does is SBA financing and contracting, but we also do a lot of - - and principals - -. And Gary does a lot of that and a lot of that to do with other federal agencies. So, for the federal agencies that are here and some of the state agencies that are here as well, you have always been really good partners with us - - small business - - regulatory issues. The other thing that I would mention and Nick may have also mentioned it, is that in the regulatory fairness score card, if you will, the national ombudsman office is now doing is participating in regulatory fairness board hearings is something that we want to recognize the agencies that are doing that and are showing up and participating. So, all of you get a perfect attendance here for being part of the regulatory fairness board hearing.

I think we have one other person just arrived and before we go on I want to make sure you get to introduce yourself.

MR. ALAN TRAENKNER: My name is Alan Traenkner. I'm with the Federal OSHA and I'm here my - -.

MR. QUINN: Very good.

MR. JOSE MENDEZ: Mark we have some folks on the line as well.

MR. QUINN: Okay. In that case for those of you online will you introduce yourselves?

MS. MARTY FISHER: Marty Fisher, California Chamber of Commerce.

MR. ROBERT CALLAHAN: Robert Callahan, California Chamber of Commerce.

MS. ELIZABETH WILLIAMSON: Elizabeth Williamson, Customs and Border Protection.

MR. MENDEZ: Jose Mendez, Washington, D.C.

MR. QUINN: From SBA in Washington. Anyone else on the line that is -- that has not been introduced. Very good. And again, for all of you that are federal agencies thank you for participating. Thank you for your involvement with us through the course of the year. We do a lot of training and we call on you to be part of education small businesses about the regulatory environment that all of you are responsible for administering and to let small business know before they get into problems how the programs work, how the rules work and how your system to help them work in ways that we hope we can education small businesses about, how to do good business with federal agencies - -. But thank you for you all doing that.

Let me turn it back to Nick to give a little contact about the small business regulatory enforcement and fairness act and what this session is about. And then we'll turn this over to having testimony

from each of the organizations that are willing to testify. So with that, Nick.

MR. OWENS: Thank you, again. And I certainly share your enthusiasm for small business. I like that. And certainly for the women impacting public policy and for the leagues and other represented here, thank you for taking time for your business. I travel the country quite a bit. I listen to small business concerns, working to understand their concerns and making sure that small businesses have a way of expressing their concern about excessive regulatory issues. It is important work, I value it. I often tell my boss, the administrator it's the best job in the agency. You can often see the results when I leave this event, this experience and go back to Washington to work on the behalf of small businesses. But if I survey entrepreneurial small business - - managers it's never been a more exciting time to be a part of small businesses. The role that small businesses play in today's ever changing and dynamic marketplace is notable. Here in California with over 3.6 million small businesses representing 99.2% of businesses in the state it is strong; to say that America's 26 million small businesses are stronger than ever before representing 99.7% of all businesses. And it is because of the ingenuity and the leadership of these business owners and your association that the economy is - - growth by the work of small businesses and jobs are being created. But with all of the success that we love to talk about and government contracting for small businesses, - - small business, starting/selling a small business, you also know that you face some challenges. And that is compliance and regulatory challenges and the ingenuity of anyone in this room did not come from the United States Government. It did not come from the SBA. And I can tell you that when I say up here from the government, I'm here to help you, we are. So we actually are that side, that - - appreciation. We are here to help.

But President Bush has said many times that the role of government is not to create wealth, the role of government is creating an environment with the entrepreneurial spirit can flourish, you can risk capital, you can achieve the American dream. But we also know where the rules are not fair, when it is not a level playing field, and when small businesses are faced with unfair and excessive regulatory actions it is not a successful environment. Small businesses can not proceed in such environments even more so when there is a gotcha attitude that you sometimes find with the federal government. The policy of our administration is focused to streamline, regulation, recognizing the small business owners can not operate effectively in uncertainty and confusion, even more so if you are faced with repetitive audits, investigations, burdensome compliance issues, excessive penalties, fines, retaliation, you should be able to tell your government both the good and the bad. And I often say that our responsibility as the office of national ombudsman is to help small business owners keep more of

their hard earned money in their pocket to decide what to do with it. Unfair regulations and the unfair enforcement of regulations call small businesses, two of their most precious commodities and that is your time and your cash flow and your money.

SBA is often - - estimates that federal regulations for small businesses of 20 employees or less cost the small business \$7,647 per year per employee. That's compared to a larger enterprise, a larger business of let's say 500 employees or more. In fact, these smaller firms spend 4 and half times as much for environmental compliance issues, 67% more on tax compliance issues than their larger counterpart. And it is often because they don't have the resources, teams of accountants, consultants and lobbyist to represent their interest. And the money that you spend on these other unnecessary areas would be better spent to provide health coverage for employees, growing your infrastructure, expanding your product line and investing for the future.

So ultimately, what we are here to do is to hear the concerns. I act as a troubleshooter, I have the longest title, well I didn't before chief financial officer I heard title - -, so yes I'm actually ombudsman assistant administrator of regulatory enforcement therapist [laughter]. All that means is that you are a troubleshooter. So with that what we do we liaison on behalf of small businesses, if you have a concern be it with SBA with the IRS, with the EPA, Department of Commerce, Department of Labor, we liaison upon your behalf. We seek a high-level, independent review of your case. Not the individual inspector, the individual federal employee that was working your issue or perhaps you are having a challenge with or an office you are having a challenge with - - be an official. Not only do we assist small businesses but also small non-profit organizations and small government entities it could be - - systems, utility districts, et cetera of populations of 50,000 or less. When there are issues that we can't personally address, maybe outside the purview of our office we do work with closely with the office of advocacy which would be regarding a proposal, they have a seat at the table to discuss the issues of propagated rules as well as the regulatory flexibility impact or federal agencies assessing the impact, the financial impact or burden on a small business. That's an area of the office of advocacy as lead by the chief council who is doing a great job and acts as a watchdog for America's small businesses.

For a little history, I appreciate Nancy Pelosi's office who is represented here. Congress created this office. It came out of a White House Conference, President Clinton held back in 1995. The White House Conference for Small Business and one of the items determined that small businesses did not have an outlet did not have a place to go to express concern. So through SBREFA, the Small Business Regulatory Enforcement and Fairness Act, my position was created as well as our regional regulatory fairness board. We have ten region

offices - -, ten regional boards across the country and through that we have a 50 member board which is comprised of small business owners, officers, and operators. We have vacancies in this region, so if you are interested in being a part of this process, please feel free to send us your information. We hold about 20 hearings and roundtables throughout the country. It is important for me to get outside of the Washington beltway to listen and learn from and better understand the concerns of small businesses. One important aspect is the accountability of Congress, you can see the report here if I can borrow it Mark. We issue a report annually to Congress which rates federal agencies A to F on their responsiveness to small business concerns. I will tell you small businesses are having better results with federal agencies. Federal agencies are doing a better job representing the concerns of small businesses within our organization. Just this past year we recognized six agencies for their work and leadership and Department of Labor, OSHA was one of the agencies for their work as well as the EPA and I can start naming these six lists the government issued for me. Now the EPA, Customs Border Protection, Centers of Medicare/Medicaid Services or HHS and the Department of Transportation and that was for their extraordinary work with our office to work on the behalf of cases. So we certainly want to acknowledge their good work.

The issues in our report, we rate agencies from their time limits, quality of response or they just send you a form letter saying they have received your correspondence they never really tell you they received any action [backgrounds noise]. There are client assistance - [interposing]

RECORDING: Joined [cross talk].

MR. OWENS: [interposing] and non retaliation policies are they in place as well for small businesses. From the outset I've never guarantee 100% positive resolution, but we guarantee 100% of positive work on behalf of the staff and our office - - board to address your issues. I want to just give you a few examples of cases we have addressed and in fact, economic impact studies that the office - - small business of upward \$250 million in unnecessary regulatory fines and penalties and other costs. So those are hard dollars that make a difference for small business. In Seattle, just in the Northwest here there were three groceries that testified at a forum similar to this that the USDA had disqualified them from the food stamp program alleging fraud. Well the small business owner said that they did not commit fraud. And they further sought out assistance, we met on behalf of the USDA, they reviewed the case and determined that they in fact made a mistake and it was not fraud. Another issue could be a - - in Illinois where the small business owner had a dispute with the Wage and Hour Division where the Department of Labor said that the room master [phonetic] should be hourly and not salary. Well that was a business

decision for that local businessman with their employees. And that small business spent over \$7,000 battling it out in the federal place. And they sought our assistance and we were able to seek an equitable settlement. There are other issues maybe in Georgia where a shipping company spent over \$2,000 for an alleged import/export violation. They contacted our office we worked with the U.S. Customs on an issue and the fine was refunded due to inadvertent error by the agency. There are many examples; I can tell you I have had folks on the other end of the line of the telephone in almost tears over what this issue or contract dispute will mean for their business, for their employees, for \$10,000 fine or a \$100,000 fine means losing a house. This are real issues affecting real people and everyday we are focused and certainly seeking your help in informing others to know more about what we do and how we can be helpful to you.

It may not just be a - - of a regulatory enforcement case. You maybe have a phone call you need returned. It's enough for us in the federal government to even navigate the bureaucracy of federal voice mail. But it may also be an issue if you have a contract that you have not received any updates or communication about. Feel free to give us a call; we work closely on those issues as well. I know some of you are here interested in federal procurement so I certainly do want to share areas of that. SBA administrator Steve Preston [phonetic] believes that making sure that small businesses get - - government contracts is not just an issue of fairness, but it is an issue of business. Small business often performs well as suppliers and businesses services to the federal government. Because of their size makes it more flexibility and available, more competitive some times than the larger companies. In order to help small businesses secure government contracts, SBA negotiates annually goals to federal agencies which is 23% being the goal for the federal government. We are committed to maintaining an environment where small businesses can flourish, can enter the federal marketplace and will continue to progress in this area.

There have been changes in government contracting in order to provide a fair, yet competitive procurement environment for small business we are driving a higher level of accuracy. Many of the issues that we have found over the past year have been data discrepancies. Making sure that small businesses are in fact receiving small business contracts is a priority for our agency. Data accuracy is important in 2006 the administrator with the federal procurement policy office, contacted federal agencies and required them to update their data. Identifying necessary changes to eliminate confusion and in accuracies in the database going forward. With millions of contracted actions each year, agencies must certify the accuracy of this information.

Recertification is another area, previously the size of a business was determined at the time of the firm submitted their proposal for a contract and the classification was good for the life of the contract.

Even if the business grew to become very large during the contract or it was acquired by a larger firm. Under the revised regulation, small businesses are required to demonstrate and they are in fact still a small business at the end of the five years of a long-term contract or when subsequent contract options are exercised. So when a small business is purchased by a large business its contract will no longer qualify as a small business.

Scorecard is another area, Administrator Preston believes what gets measured gets managed and this is a scorecard all federal agencies are faced and must provide an open and provide transparency about their goals or are they meeting their goals and where we as an agency can help further their achievement in that area. We have a number of programs - - and certainly well informed on to work with you locally, various - - programs at SBC. Women owned businesses, a number of areas where we want to continue to work in the federal procurement area for small business. And I want to hear from you, I want your thoughts on how we can move this forward. So with that, I would defer to Mr. Chairman to begin the hearings.

MR. ABEDIN: Thank you. Actually we'll go into the hearing and if you have seen the agenda we have one, two, three, four, five -- five businesses have been listed. Let us first of all hear each of them and then we see if we have more time to do more. And think initially I would like to let us take each of us five minutes of time and say whatever you want to say. And then we might come back again if we have time left at the end. So, with this I would like to invite Christopher Gunn of the American Small Business League.

MR. GUNN: Thank you. Hopefully - [interposing]

MR. OWENS: Just do you want them to come over here because this is what is being recorded for the hearing and they can't be picked up on the speaker there. Thank you.

MR. GUNN: - -. So good morning, - - exactly. Good morning, my name is Christopher Gunn; I'm the Communications Director for the American Small Business League. First of all I would like to thank Nick Owens, National Ombudsman, Members of the Region, IV-Regulatory Fairness Board and all the representatives from the federal agencies for your time today and listening to our issue. We believe it is an important one.

Every year more than \$60 billion in federal small business contracts are diverted from legitimate small businesses to some of the largest corporations in the United States and Europe and we are talking about roughly the top 2% of firms nationwide. As you may know, along with the small business reauthorization act in 1997, the federal government is required to award 23% of the total value of all prime contracts to legitimate small businesses. The federal government is not meeting this goal on a regular basis. There are a number of reasons

why this isn't happening. In report 515 from the SBA office of Inspector General, specifically Harold Damlin [phonetic] who stated one of the most important challenges facing the Small Business Administration in the entire federal government today is that large businesses are receiving small business procurement awards and agencies are receiving credit for these awards. Now as you may know this issue was first covered in 1995 with the SBA office and Inspector General's semi-annual report to Congress. It has been going on since then and only recently have we seen some movement toward change with a 5 year recertification renewal on June 30th and a number of issues placed forth by the SBA specifically Steven Preston's administration to address transparency and federal contracting and those types of issues.

Since the beginning of the ASBL [phonetic] we actually have been successful in doing a number of things to bring this issue into the public light. We have inspired over a dozen federal investigations, we actually engaged in four federal law-suits or rather under the freedom of information act, for information pertaining to this issue. And we have bolstered hundreds of news stories on this issue in particular. I've provided the members of the board, Nick Owens and Mark Quinn with copies of a handout. On the first page of that handout you will actually find the top 50 recipients of federal small business contracts, according to Fedline dot US which is small firm that analyzes data much like Eagle Eye Publishers or Input. They have access to the XML data piece from the federal procurement data to - - next generation so these are the government's numbers taken down, synthesized and produced of you. As you can see there are actually a number of large firms and to just to name a few, we're looking at companies like Vetsle [phonetic], GTSI, Hewlett Packard, B80's Systems [phonetic], Blackwater and that's just a couple and this is actually reflective of the '06 numbers after some data scrubbing.

It is definitely an issue for us and here's a little background on our regulatory problem. We actually see a lack of regulatory enforcement in some of the current regulations that are in place now. Specifically, according to the Small Business Act misrepresentation of any concern or person as a small business concern is punishable by a fine of not more than \$500,000 or by not more than 10 years in prison or both. That's including disbarment from federal contracting. This punishment has never been levied to any firm. Further actions, not to say that we haven't looked at many firms that are probably deserving of it. You also notice on the first page of that sheet a company call GTSI Government Technology Services Incorporated. In 1999, GTSI issued a statement to their stockholders stating that as a result of the acquisition of BTT Division in February of 1998 GTSI no longer qualifies as a small business for contract awards after February 1998. In 2006, GTSI receives roughly \$325 million in small business contracts, those are

contracts going toward small business procurement goals and going away from legitimate small businesses.

To give you a reference of over a wider period of time, according to Government Bar Magazine dated December 7, 2006 GTSI continues to win awards in federal small business that added up to a reported \$1.5 billion between 2002 and 2005 alone. And in June of 2005 actually, Small Business Administration, Office of Inspector General recommended GTSI for debarment from federal contracting for misrepresentation. Or rather they misrepresented their company as a small firm. That would have put them at, or they could have been held under that penalty of \$500,000 or not more than 10 years in prison or both and permanent debarment. No fines were levied and GTSI continues to receive federal small business contracts. So with the GTSI case in mind we ask you to examine and mandate a high-level review of the diversion of small business contracts to large corporations. And stop the discrepancies that have been taking place, give opportunities to small businesses that have a lack of opportunities really when you are talking about the federal government being the largest purchase of goods and services in the world 23% is a piece of that pie and we believe they deserve to get it. And we appreciate the steps being taken forward in terms of transparency; 5 year recertification is a step to annual recertification is a better step in our opinion. These are all things that we are looking to move towards and with that I appreciate your time. Thank you.

MR. ABEDIN: Thank you so much. Thank you, Chris. Our next speaker will be John Stewart from Health Choice - -.

MR. STEWART: Good morning. My name is John Stewart with Health Choice Carpet Cleaners from North San Francisco. Basically my complaint is with the ADA, Americans with Disabilities Act. Sometimes when I clean up customers carpets my 2 inch hose goes from my truck into the customers house and goes across a public sidewalk, which denies access to wheelchair occupants. To comply with the ADA guidelines they would requirement to build a ramp approximately 13 feet long by 3 feet wide with handrails. This device would be so heavy it would possibly injure my workers and wouldn't fit in the truck and since it is only to be done temporary for one to two hours we would like to ask for a waiver. There is something that is commercially available which is light-weight, plastic and OSHA complaint that might serve the purpose which is safety for wheelchair people and safe for the worker and is available from Mass Land. Some carpet cleaners have this and we would like -- the carpet cleaners of America would like to have this waiver - - to allow wheelchair access. That's it.

MR. OWENS: So what's - - compliance - -.

MR. STEWART: Right now what I am having to do is -- I had

to build a device which holds the hose 7 feet high, it takes a while to install this and I have to pass on the charges to my customers. Sometimes we have to turn down work because we just can't make it ADA complaint. The ramp I spoke about is not commercially available.

MR. OWENS: Have you had an enforcement case regarding this.

MR. STEWART: Yeah. I had or I have a \$623 ticket from San Francisco - - my next ticket will be \$1,000 and the one after that will be \$1,250. And if you have several trucks going out it can quickly build up.

MR. OWENS: - -.

MR. STEWART: Safe pass of travel requirements which was actually implemented by - - so to comply with the ADA lawsuit to comply with wheelchair access. I have already lost over \$2,000 in business in just two to three weeks and having to reeducate my customers about the need. But unfortunately they are able to go to my competitors who are not obeying the law or maybe don't know the law - -, but because I've already been hit I don't think I should violate the law. So that's one reason to get the waiver.

MR. OWENS: Well, we can certainly - - issue - - locally enforced action, we can't communicate concerns small business - -.

MR. STEWART: I think because the Spot program was implemented.

MR. OWENS: Was it ADA?

MR. STEWART: We're are supposed to get their approval and hand it to ADA so they can - - easy to pass through, but. Luckily the federal government provides us this opportunity where San Francisco does not, which I wish they did - -.

MR. OWENS: Right. - - put it on the record.

MR. STEWART: Yeah.

MR. OWENS: Okay.

MR. STEWART: Thank you.

MR. OWENS: Thank you for being here.

MR. STEWART: My pleasure.

MR. ABEDIN: Thank you so much. Thank you. Now our next speaker will be Teresa.

MS. TERESA NITTOLO: I'm here to discuss ADA compliance rules as well. My name is Teresa I've had a small retail business in San Francisco for 18 years. I've never discriminated against anyone or had any illegal period of problems in this time period. I've had

customers in wheelchairs in my store; I've never had any complaints or reason to believe that there were issues to deal with. I'm currently being sued for wheelchair access. The plaintiff never made any attempt to come into my business. She was offered this assistance; she declined and made her purchase of an item in the window outside of the store. After meeting with other merchants on my block, hired a lawyer which I did, I was advised not to make any changes until we met with an ADA expert which I did. The expert came there with two lawyers, myself and the issue is an entryway access. We will be making these changes as soon as possible. There was an article in the San Francisco Weekly titled Wheelchairs a Fortune. It was about the lawyer that is suing me in 2007 alone, he had over 400 cases. He was basically banned in LA for this sort of practice. This lawyer has no wheelchair access in his office, his office falls under the grandfather clause. The building that I rent from was built in the early 1900's and no changes were ever made here. Why doesn't the rule apply to him and not to me? I find this very distressing. I received a notice to settle in the amount of \$35,000. I have received a bill from my lawyer for \$20,000. I can not pay my lawyer or plaintiff at this time unless I take out a loan. I understand that no one should be discriminated against, but what about small businesses. Who is protecting us against the - - of these laws. I feel that if someone makes the necessary changes they should not be liable when dealing with others who basically are modern day extortionists. And as of this date, ten other people on my block have received the same type of notice. I thank you for your time. If anyone could help let me know.

MR. ABEDIN: Thank you. I just wanted to ask you are you the landlord or owner of this business?

MS. NITTOLO: I'm not the landlord. He basically is like you take care of it. He said he would help me pay for the - -, but he doesn't want to help me with anything else.

MR. ABEDIN: That is the commission of your lease.

MS. NITTOLO: Well, my lease has expired. So he's kind of like we don't have help, I won't raise your rent kind of deal. So basically that's what I'm dealing with.

MR. ABEDIN: And the other thing is that the property of the premises - -.

MS. NITTOLO: Basically they just want me to change the error which I have no problem with. But it is just -- I was told not to do anything until I hired a lawyer which I did, but now I've incurred \$20,000 from him and again, they want \$35,000 to settle. So, anybody want to pay up [laugh].

MR. ABEDIN: Thank you very much. Thank you. Our next speaker will be Barbara.

MS. KASOFF: Right here. Good morning and thank you very much for having me here with you today. I want to address two issues that affect WIPP membership. As I mentioned to you previously we are a membership consisting of women business owners across the country. The two issues are both have two issues in which SBA has a role. The first issue is federal procurement and the second issue is taxes. What I would like to do is comment on the proposed rule and the implementation of the law which is called the Equity in Contracting for Women Act; which created the program the women's procurement program. This law was created in and passed in the year 2000. And it is seven years since that we have been waiting for the rule that would allow us to have 5% of contracts restricted. The law sought to address and remedy discrimination against women business owners in the federal contracting arena. And by creating a women's procurement program which gives officers, as I said, the ability to restrict competition for women business owners up to 5% of all federal contracts. The law defines women owned businesses for restrict -- that would qualify for restricted competition as number one, small and that is an issue that you address all the time according to SBA size standards. Number two is majority owned women, 51% or more. Number three is certified as economically disadvantaged. The law further stated that women business owners need not be economically disadvantaged in order to qualify for procurement preferences in contracts that are up to \$3 million or if they are a manufacturing \$5 million in industries where they are found to be substantially underrepresented. The law gave the SBA the responsibility seven years ago to determine which industry where under represented by women and required a study of the data to find which women are substantially under represented.

So, for seven long years you folks have studied and restudied the data. And finally have issued a law -- or issued a report by a study in which the Ram's Corporation was commissioned. WIPP testified and provided legal counsel in a house hearing on January 16th called by the House Small Business Committee. The Ram Corporation was asked by the SBA to compute the disparity ratios in four different ways. And it is really remarkable. They were able to compare either the number of contracts by all of the women business owners, the number of contracts using women business owners that are registered in the federal contracting database which is called the CCR. The contract dollars for all women business owners or the contract dollars for women business owners that are registered in the CCR. And the method that was used to define the industries was in the North American Industry Classification System the NACS code. It should be no surprise that only 4 out of 140 industries were selected. Just four. The Ram Study concluded that depending up on how the SBA wanted to interpret the data either 87% of the industries would be underrepresented or 0% of the industries would be underrepresented. And depending upon

whether contract dollars or number of contracts were used and whether the total number of women owned firms are only the ones that were registered in the CCR were used. Even the impact of whether the SBA used a two digit category for NACS code which is very broad base or a three digit or the narrowest industry category which is four. The SBA in the proposed rule choose to use the disparity ratio that analyzed the number of women business owners only the ones that are registered in the CCR by contract dollars and the four digit NACS code as the industry definition. Thus they choose the narrowest, the narrowest method of data analysis. This totally undermined the intent of Congress to expand federal contracting to women owned businesses. The proposed rule identified as I told you, four NACS codes that will be subject to restricted competition. These four codes are cabinet makers, engravers, other motor vehicle dealers and security and international affairs. Need I tell you that we found 1,247 women in America give or take one or two that would qualify in this proposed rule as underrepresented.

It is outrageous and as I said, it under minds the intent of Congress. However, that isn't enough. In the proposed rule there was another requirement that was made. In each agency if you should be so lucky as to be a cabinet maker that would qualify, each agency must perform internal audits of its past contracting actions to show that it was discriminatory. Do you know of any agency and many of you are represented here that would self incriminate? Frankly, I don't know of a single one. WIPP has two fundamental issues with the proposed rule. One is obvious that the rule much too narrow. And number two the requirement that the agency need to find past gender discrimination. WIPP believes that the practical effect of this rule is that virtually no contract will ever be successfully set aside under this program, as structured in the proposed rule.

Now mind you we found many members in our organization that for some reason don't qualify as underrepresented. One for example, is a women business owner who designs warheads. She is the only one in the country. Can you tell me that she is not underrepresented? And we can point to many, many more. Frankly, it is our fear that if this SBA proposed rule is implemented, it will have a significant impact and it will suggest to local authorities that gender based programs are subject to an incorrect legal standard of review. And make it more difficult not only for women owned businesses to compete on a federal level but also to compete on a local or state level. As you know we are an umbrella organization of 45 business organizations. All of the major women groups that belong to our coalition oppose this rule for exactly the same reason that WIPP opposes it. It is way too little, it is based on a law that says 5% which is at its best in sufficient to boot, but makes it impossible to reach that 5% goal. We urge the SBA to go back to the drawing board. This proposed rule is absolutely not acceptable. And

we also by the way, wonder why there are only 56,000 women owned businesses registered on the federal contracting database when in fact there are more 10.4 million women business owners, majority owned women business owners in this country. What can the SBA do to increase the number of women who want to be federal contractors? Well at this hearing in the house your administrator Steven Preston said this rule is not the only way we can increase federal contracts. We can provide education, we can provide outreach, and we can provide training to help increase it. Just yesterday the President's budgets was released and guess what, huge cuts in the SBA and in the training programs -- in funding for the training programs in the counseling programs that would help women business owners and minority business owners compete more effectively. So why has the federal government not been able to meet its 5% goal when there are so many more women business owners in this country? And very frankly you ought to hope now that there aren't more women business owners on the federal contracting database, because that percentage would never go up from 3.3% to the goal of 5%.

Now let me turn just real briefly just for a minute to taxes. As acknowledged in the economic stimulus package that was recently enacted, the tax codes drive small business decisions. That's why WIPP has supported doubling expensing, accelerated depreciation and extending the carry back periods to 5 years. The tax code has not kept pace with the shape of our economy and the people that feel it most, our small business owners. First we believe that the tax code should treat all business deductions and tax incentives equally across the board no matter what your tax designation is, whether you are a C or sub chapter F or sole proprietorship or LLC. A good example of this is in health insurance premiums. A C-Corp can deduct health insurance premiums while a sole proprietor has to pay an additional 17% tax on her premium. We're not saying equalize the tax codes, we are just saying if you give the C-Corp a deduction or credit for business expense, this should apply across the board to all forms of business.

The second problem we see in the tax code is that heavily weighted toward giving incentives to businesses that purchase equipment or produce a physical product. However, many of our members are now producing products; they produce technical products, business process products. They don't produce widgets, we believe this tax code should in synthesize research and development and encourage and urge the extension of the R&D investment tax credit. However, we would urge Congress to bring back investment tax code credits into the 21st Century by including R&D for businesses that are on the cutting edge of technology, no matter what the product. We believe that changes in the tax code will further encourage small businesses to innovate. Thank you for giving me the opportunity to testify and submit.

MR. ABEDIN: Thank you. Thank you, Barbara. We gave you I guess 10 minutes extra too [laugh]. Thank you - -, so I think we need to hear you. Thank you so much.

MS. KASOFF: Thank you.

MR. ABEDIN: Now, I'd like to invite Frances Laskey.

MS. LASKEY: I have to get up and stretch [laugh]. All right. My name is Frances Laskey, I'm the Director of Human Resources for Berkeley Policy Associates. We are small business we have 27 staff, so I'm also the Director of Information Technology, Corporate Secretary and Chair of the Board of Trustees.

BPA has been in business for over 35 years. For most of those years at least part of our business has been as a federal contractor. We've done a lot of work for the Departments of Education, Health and Human Services and Labor. A couple of years ago the Department of Education implemented some security clearance requirements that are really causing us some problems. And I'll try to be very brief, although I've got two pages worth. The background as I understand it is that these security requirements are intended for contractors who have access or will be accessing federal buildings and federal databases. This is not the case in the kind of work that we do. We mostly do evaluations of government funded programs in education, labor, et cetera. We are collecting our own data; we're not using the government's data. The Department of Education is now requiring that any contractor participating in the Department of Education contract at the low risk level which our employees who have no contact with data at all are required to be finger printed - [interposing]

RECORDING: Robert Fisher and Robert Callahan, Cal Chamber.

MS. LASKEY: Are required to be - - to be finger printed and also to fill in several other forms. Moderate risk individuals who are people who do have access to confidential data are required to be finger printed as well and fill in some more elaborate forms including having to go back, I forget, seven or ten years and talk about their travel, foreign travel, all of their friends and companions and all those kinds of things.

We have four main -- only four main issues with this. The first is just the burden of time and resources on a small business. Just having the finger printing done costs us money and time which is not billable to our client. So we either have to engage someone to come on our premises to do the finger printing or we have to release our staff to go out and find a federally qualified place to get it done and again, have to pay for it. The time it takes to fill out the various forms including a fair credit reporting act release, including the I forget what it is called a federal employee form, which makes no sense because we

are not federal employees. All of this takes time and time is a resource that is very precious to us. In addition, as a small business we really need the flexibility to move people on and off of our projects as the work flows. This is a real restriction now because we can't just pop someone on to one of these projects without having them go through this rather elaborate security clearance. So the burden of time and money is a significant one for us. We know of some firms who have received waivers by saying, we are not touching confidential data; we don't have a legal department who has the time to go through this long process. So we just suck it up and comply.

The second question or issue that we have is really the justification of the requirements. We are not accessing federal buildings or data. We have been doing federal contracting for 35 years that includes sometimes confidential data. We have very strong processes in place to keep that data confidential. And we wouldn't be in business if we didn't, we really understand that. And we are not required to do this for any other federal agency that we are working for. So, it seems a little arbitrary and it also seems not to be accomplishing what it is designed to accomplish. This is really a federal national security issue that works in federal buildings, we're not. So we really don't feel that it should apply to us.

Another issue that we have is - - turn the page, because I can't remember [under breath]. The implementation of this by the Department of Education and we work with several offices within the department, so there isn't one specific contracting officer, et cetera. It has been pretty inconsistent. There are some contracting officers who are insisting on it to the letter, others that are kind of looking the other way and not worrying about it. But this leaves us kind of in a limbo of how far do we have to push ourselves to do this, but it also leaves us at a risk because if we don't comply and someone comes and says you didn't comply they could conceivably take a contract action and pull the contract or delay or some other adverse action. So it is very inconsistent within the department. Also the management of the data that we are submitting to the Department of Education, we have very grave concerns that the department personnel has not been trained and the procedures are not in place to safe guard these data. We are providing social security numbers, first, middle, last names, place and date of birth for the staff that are required to submit this clearance and we don't know where it is going. And we get no response when we ask. We have had a couple of employees submit data online and get a call back or email back from someone in the department saying well, thank you for submitting this, but I don't think I was suppose to get it. We are at a great deal of risk if that data is misused, abused, stolen, any of that and we've received no assurance that they are being safe guarded properly. We have had staff asked to go through the process again for a second contract that they are working on and not gotten good reasons

why that is. Why all the departments don't have this in a database that they can refer to or what. So we are very concerned about the safe guarding of our employee's data.

What we would like as a result of this testimony is to ask the SBA to work with the Department of Education to determine whether these requirements really are required for the kind of contractor we are that are not accessing federal buildings or data. And then to narrow the number of employees to whom they apply so we can retain the flexibility to respond to the work. And also that there are sufficient safe guards and there is appropriate training for Department of Ed personnel to safe guard our data. So those are our concerns and thank you very much for the opportunity.

MR. ABEDIN: Thank you so much.

MR. QUINN: I've got a question for you on that. Are you saying this -- you have other contracts with other federal agencies that do not require the same kind of things?

MS. LASKEY: Correct. We have several; well we have right now several contracts with the Department of Labor and one with HHS and no security requirement whatsoever.

MR. ABEDIN: And also I think what we saw in the SBA office you might like to include them - - security - - [laughter].

MR. QUINN: If you would - -.

MR. LASKEY: Yeah. Yeah.

MR. ABEDIN: Yes, two more - - around you, please?

MR. LASKEY: Yes.

MR. ABEDIN: Do want someone to come up?

MS. CECELIA MCCLOY: Yes, thank you. I'd like to thank the board for the opportunity to present testimony today. My name is Cecelia McCloy and I'm President and CEO of Integrated Science Solutions. A women owned science and engineering firm headquartered in Walnut Creek, California. I'm testifying today in opposition to the SBA's proposed rule concerning women owned set aside programs. I strongly believe that a woman set aside program is needed but that the one currently proposed by the SBA is fatally flawed and should be rescinded. Our company specializes in providing professional services to federal agencies both as a prime contractor and a sub-contractor to other private companies. Winning government procurements is a difficult and expensive undertaking. When we started ISSI potential customers such as federal agencies as well as large business primes were skeptical of the company due to the fact that I was a woman. Repeatedly I would have to prove my competency by reviewing my background and resume. Common speculating on whether or not ISSI was a legitimate entity because of a woman

business owner were not uncommon. This perception was so common in fact, that I addressed the issue upfront in my marketing pitch. I believe that this perception is an example of subtle discrimination. ISSI has been successful in spite of this issue. However, this barrier to entry is significant to other women businesses and discourages this group of business owners from seeking out opportunities with the federal government. Currently in our profession it is still an anomaly to find a woman who owns and runs a science and engineering firm. At professional gatherings and meetings WBO's represent approximately 10 to 15% of the attendees on a good day. At federal government business conferences I often find myself the only women owned business present. Clearly our companies would be underrepresented in the federal procurement yet the SBA has chosen to ignore this fact. As an agency charged with helping small businesses the SBA has clearly dropped the ball on the women's set aside program. That is why I urge the SBA to rescind the proposed regulation. Thank you very much for providing me this opportunity and I would be happy to answer any questions.

MR. ABEDIN: Thank you. Will you - what you wrote down will you give us a copy, please?

MS. MCCLOY: Oh yeah, I'd be happy to. I - I did.

MR. ABEDIN: [Cross talk] - -.

MS. MCCLOY: I did submit it; I think Gary has got it.

MR. ABEDIN: Okay. Thank you so much. And we also have Ann -- Ann Blackburn.

MS. BLACKBURN: Good morning. And I too thank you for allowing me to participate in this. In addition to my day job at Blackburn Advisory Services, I'm also on the National Women's Business Council which is a presidential appointed council. And our role is to serve as an independent source of advice and counsel to the president, the Congress and the U.S. Small Business Administration on the economic issues of importance to women owned businesses. In addition to that, I'm a facilitator for the Women's President's Organization, which is an organization of women throughout the United States and actually England and Canada too now. Who own their own businesses and they are not small start up businesses. The hurdle rate is if you in the service industry it is \$1 million of gross revenue, if you are in a widget making it would closer to \$2 million. And our average is somewhere between 7 and 11 million. So these are truly serious business women.

My comment with regards to the SDA proposed rule 13 CFR are quite frankly too little, too late. Seven years too late with less than responsible proposed guidelines to a congressional enacted program to enable women owned business greater access to federal contracting

opportunities. Irresponsibility doesn't come close to describing the proposed ruling. The methodology of the study and the narrow definition of merely four business categories is further demonstrative of how disingenuous the proposed ruling really is. Nontraditional and many service businesses are excluded by limiting the definition to four non-typically women owned businesses. Service oriented businesses are the fastest growing business segments such as information technology. And the federal government is the largest purchaser of goods and services. How can the SBA in clear conscious expect the women's business community, which is the fastest growing economic sector in the country, to sit idly and not challenge a ruling that would clearly hinder the possibilities for them to grow their businesses? It is an insult to all small businesses that the SBA which is charged with helping small business would not just concede the current proposal but forward it for consideration. However the real nail in the coffin though for any possibility is to have adequate opportunities is the climate for agencies to conduct a self imposed study to determine whether it had discriminated against women owned businesses. This part of the recommendation is so transparent it adds further insult to the business community and the SBA I think should be embarrassed. The timing of the announcement, December 26th, when much of the business community and our legislative leaders are away from Washington D.C. further demonstrates the low-esteem with which the SBA holds Congress which mandated that progressive efforts be made in this arena. The - - ruling does nothing to advance the principals of gender equality and contracting which has noticeably existed for more than 40 years. In fact, it not only stops forward motion it is a giant step backwards. In a country that is suppose to pride itself on equality this is not the message we should be promoting to large segment of the population. Particularly one that continues to demonstrate economic savvy and continues to grow and employ thousands of Americans. I urge the SBA to reconsider this proposed barrier to entry and to withdraw the proposed rule. Rather, a group of stakeholders and key participants in the women's entrepreneurial community should be convened to draft an alternative rule which should then be resubmitted within six months. Thank you very much.

MR. ABEDIN: And now according to our agenda we have called all those who registered before to speak. But is there in this room now have someone else who would like to testify who are not among this protocol. Anyone left out want to speak? And also I think now - - federal departments if you want to make any comment - - explain what department OSHA.

MR. HICKS: - - I don't have any comments or anything - - discuss any rules and regulations - - federal government agencies, the small business owners are competitor who were not here today, need to let them know they missed a golden opportunity to have federal - -.

MR. ABEDIN: I think you are happy to hear Frances' comment because she did not include the Department of Labor [cross talk - laughter]. Do you want to - -.

MALE VOICE 3: No comment. I feel unscathed from this room. These roses here we'll keep the thorns on this side [laughter].

MR. ABEDIN: Also - - you want say.

MS. NEAL: Well, I'd just like to say, I don't know Gerry - -. Again my name is Celeste Neal and I hope the chapter's concerns regarding the taxes when the need for the same - - report - - across the board regardless of the type of entity. Also, the availability - - currently extends the research and development type costs. And the census that go along with the accelerated depreciation for those areas. So I think that we factored that. We are currently undergoing an education strategy particularly for a first time schedule C filing, but we are also looking at across the board how to improve the burden for small businesses. So this is definitely that we'll be taking back to our tax burden and reduction office for consideration, so thank you for that.

FEMALE VOICE 2: - - I actually have some additional information that was available in regard to tax - - and reduction and how proposals can be submitted to them as well. Fortunately/unfortunately its like the Titanic it takes a while to turn things around. However, only when we hear from you. Only when you take these opportunities as was mentioned then only can we make a difference because of you. Under the circumstance, I don't know how many times I've said and I work for the federal government, oh someone must have brought this up before, I can't possibly be the first person, only to find that everybody else feels the same way. And therefore when you do make a point of it and you do actually propose then we can take it forward and say oh my gosh, nobody else has in the past. So there is additional information as well. I was wondering to reinforce all the reports that Christopher has provided I don't know Christopher with all these various federal contracts if it is specified as to what specific government organization or agency has provided the contract because of course no one here from the IRS is from procurement. Although, we do have a procurement area in contracting, so I didn't know if that was available as well?

MR. GUNN: We do have specific information - - each federal agency available and - - that information.

FEMALE VOICE 3: Thank you very much. Because of course we want to take care of that and it may be that it be back to procurement as well.

MR. GUNN: We appreciate that.

MALE VOICE 4: And with that said you can leave that number or card at the door. So if you need any of this data electronically - -.

MR. ABEDIN: Thank you. Is John Tan here - - any comment.

RECORDING: [Cross talk] - - Cal Chambers. Left.

MR. TAN: [Cross talk] - - personal message for - -. I heard the comment about how the tax code didn't have - - for small businesses. One of the things and I made some notes myself so - - advocacy. What they do is they catch all the issues and concerns that impact the - - taxpayer and they may propose way to change it. That is something that we in Congress can do - - and small business owners, you can also lobby not only to the - - website, but you can go into IRS.gov and click on taxpayer advocate service and - - advocacy management system, SAMM. You can input any kind of issues and concerns that have a - - impact on small business and that goes straight into the advocacy office and they took a look at the issues and - -. Thank you for you - -.

MR. ABEDIN: Here is Roy, Cal OSHA.

MR. BERG: Yeah.

MR. ABEDIN: Did you hear the idea on compliance - - and some issues raised on ADA do you have any comments to make?

MR. BERG: About wheelchair access?

MR. ABEDIN: Yes.

MR. BERG: No I don't.

MR. ABEDIN: And Federal OSHA, Alan?

MR. TRAENKNER: Yes, you know ADA is not something that we enforce, so it's not something we have any ability to implement.

MR. ABEDIN: Thank you. And also we have the - - so do you want to make any comments? Anything you want to add?

MALE VOICE 5: No, other than for the record, just very happy to be here and - -.

MR. ABEDIN: Okay, then we have Denise Choye, - -. Denise did you want to say anything?

MR. CHOYE: No, we're really - - discrimination - -.

MR. ABEDIN: How about Linda?

MS. LI: - - a portion of - - enforce the aspect that govern the relationship between employee and employer where the employer is not there - -.

MR. ABEDIN: - - everybody - -.

MR. OWENS: I do want to say to the Women Impacting Public Policy, thank you for being here. This is an issue that - - a lot of passion, calls Washington from the House and the Senate our administrator takes your concerns very seriously and I will tell you that there was a thorough review process before the proposed rule was

released. Working with the Department of Justice with the Ram Study and other interested parties, but that is what a proposal is all about, is to receive this feedback and - - and I believe it will certainly be well received in the process - -. But thank you for being here. And thank you all for being here. Mark, thank you again, your team it is great to be back in California. I was thinking about Ronald Reagan -- a lot of folks have been thinking about Ronald Reagan lately, they've been talking about him [laugh]. But you know he said that at that time the government viewed the economy could be summed up in a few short phrases it if moves you tax it, if it keeps moving your regulate it and if its stops you subsidize it. So, keeping with that premise, small businesses should operate unequivocally in an environment with regulations are effective and not accepted and it is our goal to continue to foster small business from the environment from the federal government. Whatever I can do to be helpful my direct email nicholas.owens@sba.gov you can reach me toll free at 888-REG-FAIR and that's R-E-G-F-A-I-R. We do have flyers in the back there. I'm available anytime; don't hesitate to give me a call and thank you all for being here.

MR. ABEDIN: Thank you.

[Background noise - cross talk]

[END TAPE]